

THE OUTSIDE GENERAL COUNSEL PROGRAM

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Executive Summary

Legal services can be costly. You don't know if you're receiving value for your money. You wonder if you're meeting your legal needs. You don't know if you have legal exposure. You feel you have no real control over this expensive aspect of your business.

How do you get control? With the Outside General Counsel Program sm (OGCP), an approach developed and directed by a seasoned former in-house general counsel, experienced in obtaining effective legal results at lowest cost.

OGCP is designed to solve these problems simply, seamlessly and cost effectively. We bring you the benefits of having an in-house legal counselor and an outside lawyer in one convenient package, without adding to headcount. OGCP will actively manage your legal affairs. We develop a cost-effective, optimal strategy for meeting your legal needs and execute that strategy with our own resources, through our network of experts, or by managing your existing outside counsel.

The end result? You will have more control over the quality and cost of your legal services. You're relieved of an unsettling complicated burden you may not feel qualified to manage. You can feel confident you are receiving value for your legal dollars.

I. Introduction

The OGCP system has two parts. First is a practical assessment of the legal needs of your business and development of a business plan for your legal affairs. You will receive a report which sets out the current status of your legal affairs, identifies areas of legal concern, reviews management's goals and how they relate to the areas of legal concern, and sets forth a targeted action plan to meet your legal needs.

The second part is active management of your legal affairs. OGCP functions as a "legal gatekeeper" managing your legal affairs. We implement the legal plan. As legal issues arise, we handle them if possible. If a problem can be more effectively or inexpensively handled by specialized outside counsel, we select the outside attorney and negotiate a legal billing arrangement with that counsel more tailored to your needs and generally less expensive than you could achieve on your own. When possible, we develop legal budget as well as a legal strategy in which the major steps of a matter are determined and their cost estimated in advance. We then oversee the outside attorney to develop timely, effective and efficient solutions to legal problems, within budget. As work progresses, we evaluate the performance of the outside attorneys and review their bills for efficiency.

II. The OGCP System

The OGCP system has two parts: The Assessment, Report and Legal Plan; and Plan Implementation/Legal Affairs Management.

Part 1 – The Assessment, Report and Legal Plan.

This part has two steps: (1) assessment of your legal needs and present resource utilization to meet those needs; and (2) development and presentation of a report setting out the assessment results and outlining a plan to meet legal needs and improve resource utilization.

Step 1: The Assessment

The assessment is an analysis of the legal needs of your business. It can be customized to cover all legal areas affecting your business, or only selected areas, such as employment or environment. Generally, it is an in-depth analysis but even this element of the assessment can be tailored to meet your needs and desires.

The approach of the assessment is a practical one. It is not an exercise in trying to find all of your legal problems, no matter how esoteric or remote. Rather, the assessment answers some very basic

and important questions for you: With the resources you have available and your business goals, are you appropriately addressing your legal needs? Should you be doing more or less? Are you spending too much in one area and not enough in another? Are you getting value for the legal dollars you're spending now?

The assessment includes an examination of your business to identify your legal needs and determine whether and how you are addressing those needs. This is done through:

- an initial meeting with senior management to develop an understanding of business operations and systems and to identify key personnel whose areas of responsibility interface with areas of law affecting your company;
- on-site, in depth interviews with those key personnel;
- on-site review of contractual and other documentation;
- check of selected outside counsel bills; and
- meetings with your current outside attorneys, if any.

The interviews and discussions are intended to develop a profile of your operating procedures, business goals and methods. The document review supplements the interviews and allows for the development of litigation and other legal profiles as well as a greater understanding of potential legal problems and needs. The review of outside counsel bills and discussions with your current outside attorneys help to show, among other things, how and what legal problems and needs are being addressed and at what cost. In appropriate cases, we may recommend legal prevention programs, in-house education and training seminars, legal audits, legal systems, policies and procedures and ethics policies.

Step 2: The Report and Plan

Once we have completed the assessment, we prepare a report containing our assessment of the current status of your legal affairs, areas of legal concern, and an analysis of management's goals and how they relate to the substantive areas of legal concern.

We then present an action plan consisting of a prioritized strategy for addressing your legal needs. We factor in management's overall business goals, priorities and other considerations and take account of your resources and plans for allocating those resources. We will prioritize those legal needs, present concrete steps for meeting those needs and outline an implementation strategy.

The Assessment, Report and Legal Plan phase is not simply an exercise designed to make work for lawyers. It can begin – and end – with the assessment and the related legal plan. In doing this, OGCP works only for you – to develop the information and analysis necessary to answer the kinds of questions you have about your legal affairs. After the assessment and the legal plan are presented you can decide to end the process at that point or continue to work with us on Plan Implementation/Legal Affairs management.

Part 2 – Plan Implementation/Legal Affairs Management.

This part consists of two steps: (1) implementation of the Legal Plan; and (2) ongoing management of your legal affairs.

Step 1: Plan Implementation.

We work with you to determine the best way to implement the plan. We can manage the overall implementation of the plan, work as a partner with management, or serve as a consultant to management should you decide to internalize implementation. The choice is yours.

Step 2: Legal Affairs Management

Step 2 is ongoing active management of your legal affairs. We can serve both as an in-house legal counselor and as an outside lawyer.

First and foremost, we manage your legal affairs. As legal problems arise, they are simply referred to us – as one would refer them to an in-house attorney if one were on staff – and we take it from there. In this respect, we acts as a "gatekeeper" for your legal affairs, much as a primary care physician acts as a medical gatekeeper for an individual's health and medical needs. Only, unlike a primary care physician who may work for or with a larger heath care plan or provider such as an HMO, we work only for you.

As legal issues arise, if we can effectively handle them we will. If an issue can be more effectively, efficiently or inexpensively handled by a specialized outside attorney we will select appropriate counsel. We will negotiate a legal billing arrangement with the outside attorney, which may include a negotiated hourly rate, a cap on fees, a flat fee or a legal budget, depending on the matter.

We work closely with and manage the outside attorney to develop a budget and legal strategy for each matter. This process includes an evaluation of the benefits of each major legal step in relation to its cost. If a particular step is needed, we determine the staffing and extent to which it will be pursued. If the outside attorneys wants to vary from the strategy or budget, they must get our prior approval. In this way, through OGCP, you regain control of a legal matter. We can manage outside

attorneys more effectively because we speak their language. We take your legal problem and business considerations, translate them into terms the outside attorney can understand and quickly act upon, and provide appropriate parameters and instructions to keep the outside attorney's actions consistent with your business goals and budget.

As the matter proceeds, we take the results and "decode" them for you. We review and evaluate the attorney's bills and performance for quality, efficiency and compliance with the legal budget and the terms of their retention. This generally results in more effective legal services for you at a lesser or more controlled cost than you could have obtained acting on your own. From your point of view, this all takes place in the background. You never need to involve yourself with these secondary resources or processes unless you wish to be involved.

We also provide a sounding board for new ideas and business directions, informed by our business and legal experience. Senior management often appreciates the ability to bounce ideas off someone who is not in the organization and who will not be affected by the outcome of those decisions.

III. Benefits

OGCP is a cutting edge approach which provides cost-effective evaluation and management of your legal affairs under the direction of an experienced general counsel and business executive. The practical results-oriented program brings a client the benefits of an in-house counsel without the drawbacks of actually paying for an in-house lawyer.

With the assessment and legal plan component, you benefit from an independent professional examination and analysis of your legal needs and how they are being addressed. The resulting report answers questions about how your company is doing and provides a targeted action plan for addressing your legal needs. The report is not a make-work report for lawyers but a valuable stand-alone product which can serve as a business plan for managing your legal affairs.

With the legal affairs management component, you benefit initially from being relieved of the responsibility of trying to manage your legal affairs -- a task for which most busy senior executives have neither the training nor the time. Instead, you are able to transfer the responsibility of the management of legal affairs to someone who has the training and experience to do exactly that. In most cases, you will obtain more effective and efficient legal services at a lesser or more controlled cost than you could achieve acting on your own.

Unlike your traditional outside counsel, OGCP approaches and manages legal problems in the same way an in-house counsel would. This means a customer service oriented approach with greater attention and adherence to your business goals, budgets and resources than outside attorneys

traditionally would give. OGCP will produce more practical, results-oriented solutions to legal issues with a different appreciation of risk tolerance than is usually found with traditional outside counsel. You will also benefit from having an independent sounding board to assist in brainstorming business issues – someone who will bring an objective viewpoint and not begin looking for another job if s/he thinks a decision may adversely affect his/her future with the company.

While you obtain the benefits of an in-house attorney, you avoid adding to head count as well as the political, turf and staff building problems that often accompany bringing in a senior level manager. Furthermore, you purchase only the services you need.